

# *Strategic Goal: Effective Management*

EPA will establish a management infrastructure that will set and implement the highest quality standards for effective internal management and fiscal responsibility.

## BACKGROUND AND CONTEXT

Efforts under this goal support the full range of Agency activities for a healthy and sustainable environment including: effective vision and leadership; sound management practices; results-based planning and budgeting; fiscal accountability; and quality customer service. Rational policy guidance and careful stewardship of our resources form the foundation for everything EPA does.

## MEANS AND STRATEGY

The Agency will provide vision and leadership as well as executive direction and policy oversight for all EPA programs. In keeping with its commitment to protect children's health, the Agency will target resources towards its many diverse children's activities. In 2000, the Agency will evaluate health outcomes related to environmental health effects for asthma and lead addressed in 11 Pilot Child Health Champion Communities. The Agency will provide policy direction and guidance on equal employment opportunity and civil rights. The Agency's Administrative Law Judges and its Environmental Appeals Board Judges will issue decisions on administrative complaints and environmental adjudications, respectively, in a timely manner.

The Agency will provide the management services, administrative support and operations to enable the Agency to achieve its environmental mission while meeting its fiduciary and workforce responsibilities. EPA will manage an integrated planning, budgeting, analysis, financial management and accountability process to ensure effective

The effectiveness of EPA's management will determine, in large measure, how successful we are in telling the story on our annual progress toward the goals identified in the Agency's annual plan and the long-term goals in the strategic plan. Agency management systems and processes will be supported by independent evaluations that promote efficient and effective programs in order to obtain the greatest return on taxpayer investment.

stewardship of resources which meets statutory requirements of the Government Performance and Results Act (GPRA), Chief Financial Officers (CFO) Act, and related legislation. In 1999, the Agency will implement an accountability system that captures all key performance measures, and develop a cost accounting system to enable Agency managers and stakeholders to know the full cost of Agency programs and the resources associated with achievement of environmental results. The strategy for ensuring sound management of administrative services will be accomplished by managing information systems effectively, ensuring a high level of integrity and accountability in the management of grants and contracts, and investing in our human resources to ensure that the Agency's workforce is of the highest caliber and is fully prepared to deliver national leadership and expertise in environmental protection.

The Agency will provide a quality work environment which places high value on employee safety and security and the design and establishment of state-of-the-art laboratories. These facilities

provide the tools essential for researching innovative solutions to current and future environmental problems and enhancing our understanding of environmental risks. Plans for building operations and new construction support existing infrastructure requirements that ensure healthy, safe and secure work environments that reflect the pollution prevention values of EPA and help fulfill the scientific and functional requirements of our programs. EPA has adopted an aggressive strategy to utilize energy savings performance contracts to reduce energy consumption significantly over the next five years. In 2000, EPA makes major strides towards completing the consolidated new Headquarters, as well as the consolidated research lab at Research Triangle Park in North Carolina.

The Agency will provide audit and investigative products and services, all of which can facilitate the accomplishment of the Agency's mission. The Agency will increase performance audit work with a focus on environmental results, and assist the

Agency in implementing performance evaluation to promote full compliance with GPRA. In the contracts area, Agency efforts focus on selecting the appropriate contract vehicle to deliver the best value for Agency's mission and the taxpayer, including reducing the use of cost-reimbursable contracts. All contracts will be evaluated for possible award or conversion to performance based contracts. In addition, the Agency will put increased emphasis on contract oversight, including speeding up the contract processes through fast-track system enhancements and automation efforts.

A major concern of Congress has been the federal response to the Year 2000 date conversion issue. With respect to this issue, it is anticipated that all Agency mission-critical systems will be Year 2000 compliant by March 1999. In 2000, the Agency will continue operational testing to ensure that all mission-critical systems continue to function correctly to support core functions without interruption across the Year 2000 date change.

## EXTERNAL FACTORS

In 2000, the Office of Children's Health Protection will evaluate health outcomes related to environmental health effects for asthma and lead in 11 Pilot Child Health Champion Communities, and publish the results in a report. The success of this key Agency goal is dependent upon the 11 communities developing acceptable action plans to implement community-based programs.

OCFO would be affected by new legislation that would impose major new requirements necessitating a shift in existing priorities, absent any commensurate increase in resources, in areas such as strategic planning, performance measurement, and/or resource and financial management.

OCFO and OARM would be impacted by new administrative requirements in areas such as

accounting standards and reporting from central offices such as OMB or Department of Treasury or other central offices that would impose new requirements for Agency financial and other systems.

OCFO would be impacted by limited availability of baseline environmental data required to measure results and make decisions relating resources to results.

The ability of the Office of Investigations, Office of Inspector General, to accomplish its annual performance goal is dependent, in part, on external factors. Indictments, convictions, fines, restitutions, civil recoveries, suspensions, and debarments are affected by the actions of others (e.g., the Department of Justice). In addition, the

prosecutive criteria established within various jurisdictions (e.g., dollar thresholds) can affect the

number of cases.

## *Resource Summary*

(Dollars in Thousands)

	<b>FY 1999 Enacted</b>	<b>FY 2000 Request</b>	<b>FY 2000 Req. v. FY 1999 Enacted</b>
<b>Effective Management</b>	<b>\$645,174.0</b>	<b>\$715,653.6</b>	<b>\$70,479.6</b>
Executive Leadership	\$31,112.6	\$32,155.4	\$1,042.8
Environmental Program & Management	\$31,023.2	\$32,066.0	\$1,042.8
Hazardous Substance Superfund	\$89.4	\$89.4	\$0.0
Management Services, Administrative, and Stewardship	\$220,806.1	\$245,211.1	\$24,405.0
Environmental Program & Management	\$162,828.9	\$182,039.6	\$19,210.7
Science & Technology	\$326.0	\$1,866.6	\$1,540.6
Leaking Underground Storage Tanks	\$1,047.7	\$1,021.6	(\$26.1)
Oil Spill Response	\$3.3	\$3.3	\$0.0
Inspector General	\$72.1	\$0.0	(\$72.1)
Hazardous Substance Superfund	\$56,528.1	\$60,280.0	\$3,751.9
Building Operations, Utilities and New Construction	\$353,366.1	\$397,485.1	\$44,119.0
Environmental Program & Management	\$233,245.5	\$262,660.4	\$29,414.9
Science & Technology	\$0.0	\$7,129.0	\$7,129.0
Building and Facilities	\$56,948.0	\$62,630.5	\$5,682.5
Leaking Underground Storage Tanks	\$1,033.6	\$1,033.7	\$0.1
Oil Spill Response	\$537.8	\$537.9	\$0.1

Resource Summary (cont.)	FY 1999 Enacted	FY 2000 Request	FY 2000 Req. v. FY 1999
Inspector General	\$4,021.9	\$0.0	(\$4,021.9)
Hazardous Substance Superfund	\$57,579.3	\$63,493.6	\$5,914.3
Provide Audit and Investigative Products and Services	\$39,889.2	\$40,802.0	\$912.8
Environmental Program & Management	\$592.2	\$640.2	\$48.0
Inspector General	\$39,297.0	\$29,408.7	(\$9,888.3)
Hazardous Substance Superfund	\$0.0	\$10,753.1	\$10,753.1
Total Workyears	2,991.2	3,003.3	12.1

## Strategic Objective: Executive Leadership

The Office of the Administrator and Deputy Administrator will provide vision and leadership (within the Agency, nationally, and internationally) as well as executive direction and policy oversight for all Agency programs.

### *Key Programs*

(Dollars in thousands)

	<b>FY 1999 Enacted</b>	<b>FY 2000 Request</b>
EMPACT	\$81.3	\$563.6
Civil Rights/Title VI Compliance	\$1,637.1	\$1,331.7
Immediate Office of the Administrator	\$2,791.3	\$3,729.8
Administrative Law	\$2,324.3	\$2,193.4
Children's Health, Program Development and Coordination	\$6,157.5	\$5,744.8

## *Annual Performance Goals and Measures*

### **CHILDREN'S HEALTH EFFECTS OF ASTHMA AND LEAD**

In 2000      Evaluate health outcomes related to environmental health effects for asthma and lead addressed in 11 Pilot Child Health Champion Communities.

In 1999      By the end of 1999, evaluate 5 EPA standards to ensure they are protective of children's health.

<b>Performance Measures:</b>	<b>FY 1999</b>	<b>FY 2000</b>
Re-evaluate standards to ensure they consider children's special health needs	<5 standards	
Issue report on health outcomes		1 report

**Baseline:**      Baseline will be established in 2000.

## VERIFICATION AND VALIDATION OF PERFORMANCE MEASURES

The Office of Children's Health Protection will evaluate health outcomes related to environmental health effects for asthma and lead in 11 Pilot Child

Health Champion Communities, and the results will be published in a report.

## STATUTORY AUTHORITIES

Administrative Procedure Act

Civil Rights Act of 1964, Title VI

Civil Rights Act of 1964, Title VII

Comprehensive Environmental Response, Compensation, and Liability Act

## Strategic Objective: Management Services, Administrative, and Stewardship

OARM and OCFO will provide the management services, administrative support and operations to enable the Agency to achieve its environmental mission and to meet its fiduciary and workforce responsibilities.

### *Key Programs*

(Dollars in thousands)

	<b>FY 1999 Enacted</b>	<b>FY 2000 Request</b>
Reinventing Environmental Information (REI)	\$2,507.1	\$11,820.6
Environmental Finance Center Grants (EFC)	\$1,065.0	\$940.0
Human Resources Management	\$21,932.0	\$24,139.3
Contracts Management	\$24,986.0	\$27,503.9
Grants Management	\$8,568.8	\$9,455.7
Information Technology Management	\$21,975.1	\$22,282.5
Planning and Resource Management	\$69,120.1	\$71,581.6
Regional Management	\$42,535.0	\$42,818.4

## *Annual Performance Goals and Measures*

### **GPRA IMPLEMENTATION**

In 2000 100% of EPA's GPRA implementation components (planning, budgeting, financial management, accountability, and program analysis) are completed on time and meet customer needs.

### **Performance Measures:**

**FY 1999**

**FY 2000**

The Annual Performance Report is delivered to Congress and reflects all EPA performance measures of Congressional interest as identified in the Annual Performance Plan.

By 03/31/2000

The revised Strategic Plan will be produced and distributed.

By 09/30/2000



Agency financial statements receive an unqualified audit opinion and are timely and provide programmatic and financial information useful to policymakers and interested parties.

09/30/2000

Develop specifications for replacement of our central financial management systems and ancillary specialized systems, and begin the evaluation process.

09/30/2000

**Baseline:** The base of comparison for assessing progress of the 2000 annual performance goal will be the degree to which agency resources are executed and reported at the goal, objective and subobjective levels. As of 1998, the baseline process feature resource accounting at the program element level with limited output measures available. Planning and resource management have not been organized by strategic goal and objective but largely by media. An additional base of comparison is the date that the 2000 financial statements are submitted and whether they meet the OMB reporting requirements. The 1997 financial statements were submitted on the OMB prescribed due date of March 1, 1998 and were consistent with the OBM reporting requirements. In 1998, EPA had two principal GPRA components to complete; the first Strategic Plan, due to the Congress on the last day of 1997, and the first Annual Performance Plan, due to Congress in February 1998. Both components were delivered on time and met some, though not all, customer needs based on Congressional comments on both. In 1999, EPA must develop an Annual Plan for the 2000 President's Budget and establish and manage the Agency's performance accountability system so that the first Annual Performance Report can be submitted to Congress in 2000. Completion of these GPRA components will add further to the Agency's performance record or baseline. In 2000, the principal GPRA components that the EPA must develop include the second GPRA Strategic Plan, the first Annual Performance Report, and the Annual Plan for 2000. The performance baseline for MATS has been established over a period of years. The performance expectation for MATS is that the system captures audit status data and information for 100% of the audits in the system, and that the information is completely accurate and comprehensive.

## WORKFORCE IMPROVEMENT

In 2000 EPA will improve the capability of its workforce by: formalizing a leadership development approach; rolling out a training curriculum to enhance necessary cross-functional skills; clearly identifying and defining support staff career paths; and continuing to hire talented and diverse individuals.

<b>Performance Measures:</b>	<b>FY 1999</b>	<b>FY 2000</b>
Number of leadership development pilots conducted.		4 Pilots
Number of interpersonal and interdisciplinary competencies addressed in training curriculum.		12 Competencies
Number of support staff career paths identified with specific competencies.		4 Career Paths
Number of interns hired under the EPA Intern Program.		60 Interns
<b>Baseline:</b>	EPA will improve the quality, effectiveness, and efficiency of EPA's workforce by hiring 20	

diverse and highly talented interns in 1999 and 40 additional interns in 2000. No occupational competencies developed in 1999.

#### UTILIZATION OF PERFORMANCE-BASED CONTRACTS

In 1999 EPA will improve the quality, effectiveness and efficiency of EPA's acquisition and contract management process by completing 10% of contracts utilizing performance-based statement of works.

<b>Performance Measures:</b>	<b>FY 1999</b>	<b>FY 2000</b>
Percentage of contracts utilizing performance-based statements of work	10 Percent	
<b>Baseline:</b>	Baseline is 10% in 1999, 5% in 1998, and 0% in 1997.	

#### Y2K COMPLIANCE

In 2000 All 58 mission-critical systems will continue to support core Agency functions without interruption across Year 2000 date change.

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<b>Performance Measures:</b>	<b>FY 1999</b>	<b>FY 2000</b>
Percentage of mission-critical systems functioning in accordance with Y2K requirement.	100 Percent	100 Percent
<b>Baseline:</b>	In 1999, all 58 mission critical systems are operating properly and are functioning in accordance with Y2K requirements.	

## VERIFICATION AND VALIDATION OF PERFORMANCE MEASURES

Performance measure data will be verified and validated through several systems and processes. Agency financial systems such as Integrated Financial Management System (IFMS), Management and Accounting Reporting System (MARS), EPA Payroll and Personnel System (EPAYS), and Superfund Cost Recovery Packaging and Imaging Online System (SCORPIOS) will be used in preparing a variety of financial material and reports as required by the Chief Financial Officer (CFO) Act, the Government Management Reform Act (GMRA), the Federal Managers' Financial Integrity Act (FMFIA), and the Government Performance and Results Act (GPRA).

The design and implementation of EPA's Performance and Environmental Results System (PERS) is a major step in fulfilling requirements of the Government Performance and Results Act (GPRA) and will satisfy one of OCFO's annual planning goals in FY 2000. The database will be on-line and fully operational in February, 1999. National Program Managers (NPMs) are responsible for reporting data on annual performance goals and measures into PERS and for ensuring the accuracy of the data. This information will serve as the basis for EPA's 1999 Annual Performance Report, which is due to the Congress in March, 2000.

The Inspector General Act Amendments of 1988 require a timely, accurate and useful database for managers to report follow-up activities associated with the Office of Inspector General (OIG) audits. EPA's Management Audit Tracking System (MATS) allows Agency managers to aggressively follow-up on its OIG audit findings and open recommendations. Twice a year, Agency managers reconcile the audit information with the OIG's system and reports to Congress. Throughout the year, Agency managers update their audit follow-up data based on accomplishments and new information provided by the OIG.

Some performance measures are expressed as the completion of explicit tasks. Verification of these measures will require the objective assessment of completed tasks by program staff and management. Those measures where an objective assessment will be made at the end of the year include: number of cross-cutting core competencies; percentage of SES assessed against established competencies; percentage of contracts utilizing performance based statements of work; percentage of backlog of non-construction grants closed out; number of offices awarding grants through the IGMS; and mission-critical systems functioning in accordance with Y2K.

## STATUTORY AUTHORITIES

Federal Managers' Financial Integrity Act (1982)

The Chief Financial Officers Act (1990)

The Prompt Payment Act (1982)

The Government Performance and Results Act (1993)

Government Management Reform Act (1994)

Inspector General Act of 1978 and Amendments of 1988

Title 5 United States Code.

Annual Appropriations Act

EPA's Environmental Statutes, and the Federal Grant and Cooperative Agreement Act

Federal Acquisition Regulations (FAR), contract law, and EPA's Assistance Regulations (40CFR Parts 30, 31, 35, 40, 45, 46, 47)

Clinger-Cohen Act

Paperwork Reduction Act,

Freedom of Information Act

Computer Security Act

Privacy Act

Electronic Freedom of Information Act

## Strategic Objective: Building Operations, Utilities and New Construction

OARM will provide the Agency with a quality work environment that considers employee safety and security, building operations, utilities, facilities, new construction, repairs and pollution prevention within Headquarters and nationwide.

### *Key Programs*

(Dollars in thousands)

	<b>FY 1999 Enacted</b>	<b>FY 2000 Request</b>
New Construction: New Headquarters Project	\$15,945.3	\$17,496.3
New Construction :RTP New Building Project	\$36,000.0	\$49,040.5
Facility Operations: Repairs and Improvements	\$15,428.0	\$20,410.5
Facility Operations: Security	\$12,962.2	\$13,162.2
Facility Operations: Agency Rental/ Direct Lease	\$170,571.8	\$193,223.6
Facility Operations: Agency Utilities	\$10,015.2	\$12,414.8
Regional Program Infrastructure	\$66,532.2	\$67,954.2

### *Annual Performance Goals and Measures*

#### **FACILITIES PROJECTS**

In 2000	EPA will ensure that all new and ongoing construction projects are progressing and completed as scheduled.
In 1999	Complete at least 50% of construction of the consolidated research lab at Research Triangle Park North Carolina.
In 1999	Continue renovation of the new consolidated headquarters complex completing 100% buildout of the Ariel Rios north and Wilson building and 50% of the base buildout of the Interstate Commerce Commission building. Move 38% of EPA personnel from vacated spaces to the new consolidated complex.

<b>Performance Measures:</b>	<b>FY 1999</b>	<b>FY 2000</b>
Percentage of the new RTP building construction completed..	50 Percent	80 Percent
Percentage of the Interstate Commerce Commission (ICC) building construction completed.	50 Percent	80 Percent
Percentage of EPA personnel consolidated into Headquarters complex.	38 Percent	47 Percent
Occupation of new lab at Ft. Meade.		100 Percent
Complete build out of Ariel Rios Building	100 Percent	
Completion of lab construction at Ft. Meade.	100 Percent	

**Baseline:** In 1999, RTP construction baseline is 50% completion, the Interstate Commerce Commission baseline is 50% completion, and 100% completion of FT. Mead Lab construction. Also, 38% of EPA personnel will be consolidated into the new HQ complex.

## VERIFICATION AND VALIDATION OF PERFORMANCE MEASURES

Some performance measures are expressed as the completion of explicit tasks. Verification of these measures will require the objective assessment of completed tasks by program staff and management. Those measures where an objective assessment will be made at the end of the year include: percentage of health and safety audits conducted on EPA facilities, percentage of construction completed on each project cited, and percentage of EPA Headquarters personnel relocated. Other performance measures, such as the percentage of energy consumption reduced over a specific baseline are determined by the collection of data throughout the year. For example, utility bills for all EPA owned facilities are analyzed quarterly

and compared for previous BTUs used per square foot to determine if the consumption of energy has increased or decreased. Several improvement projects have been initiated that will ultimately reduce energy use at a minimum of four EPA owned laboratories. All of the projects include requirements for utilization of renewable energy technologies and renewable energy sources in formulating energy efficient solutions for all of the laboratories. Our goal for FY 2000 is to reduce the energy consumption by 80,000 BTUs per square foot of EPA owned space.

## STATUTORY AUTHORITIES

Federal Property and Administrations Service Act

Public Buildings Act

VA-HUD-Small Agencies Appropriations Act

Clean Water Act, Clean Air Act, 41 CFR and D.C. Recycling Act of 1998

## Strategic Objective: Provide Audit and Investigative Products and Services

Provide audit and investigative products and services all of which can help EPA accomplish its mission.

### *Key Programs*

(Dollars in thousands)

	<b>FY 1999 Enacted</b>	<b>FY 2000 Request</b>
Contract Audits	\$4,950.6	\$5,381.6
Assistance Agreement Audits	\$6,830.5	\$6,632.0
Program Audits	\$10,264.4	\$10,509.6
Financial Statement Audits	\$4,187.5	\$4,296.2
Program Integrity Investigations	\$911.5	\$927.8
Assistance Agreement Investigations	\$2,650.4	\$2,728.4
Contract and Procurement Investigations	\$2,913.0	\$2,975.8
Employee Integrity Investigations	\$953.4	\$981.6

### *Annual Performance Goals and Measures*

#### **AUDITING AND CONSULTING**

In 2000      In FY 2000, the OIG will provide objective, timely, and independent auditing, consulting, and investigative services.

In 1999      In 1999, the OIG will provide objective, timely, and independent auditing, consulting, and investigative services through such actions as completing 15 construction grant closeout audits.

<b>Performance Measures:</b>	<b>FY 1999</b>	<b>FY 2000</b>
Monetary value of recommendations, questioned costs, savings, and recoveries.	\$118.5 million	\$64.0 million



Monetary value of fines, judgements, settlements, restitutions, and savings.	\$4.16 million	\$4.24 million
IG recommendations made to improve the economy, efficiency, and effectiveness of operations and environmental programs.	57 RECOM/ACTION	63 RECOM/ACTION
Judicial, administrative, and other actions taken to enforce law, reduce or avoid risk.	52 Actions	53 Actions
Construction Grants Closeout Audits	15 Audits	

## VERIFICATION AND VALIDATION OF PERFORMANCE MEASURES

The major sources of key performance measure data for the Office of Audit (OA) are the Inspector General Operation and Reporting (IGOR) system, customer surveys, and selected follow up reviews.

The IGOR system is an integrated tracking system for the OIG and includes a module for OA. The reports generated by IGOR are used by OA management to monitor progress, workload assignments, and the cost, timeliness, and efficiency of audit work products (reports, memorandums, and briefings), and employee time. Each Headquarters and divisional staff member is responsible for data integrity and accuracy. Data accuracy is subject to reviews by OA management, an OIG Management Assessment Review team, and a peer review team from another Federal Office of Inspector General. Customer surveys measure the timeliness, relevancy, usefulness, and responsiveness of our products and services. Follow up reviews validate the relevancy and effectiveness of our work and involvement toward the achievement of environmental outputs and outcomes. OIG is not aware of any limitations of performance data.

The major source of key performance measure data for the Office of Investigations (OI) is also IGOR. The IGOR system will include a module for OI. The reports generated by this system are used by OI management to evaluate productivity by tracking the number of cases opened and

closed, personnel time charges, judicial and administrative actions (such as indictments, convictions, suspensions, and debarments, sentencing or personnel actions), and financial information to include fines, recoveries, judgments, settlements, restitutions, and savings. Divisional personnel are responsible for entering data and verifying that it is accurately reflected in the system. An investigative information specialist in Headquarters monitors data entered by divisional personnel and enters information on case openings and closings, judicial and administrative actions, and financial information. Management accountability reports are prepared and sent to Headquarters desk officers and divisional personnel for review and verification. The accuracy of data in the system is also subject to independent review by an OIG Management Assessment Review team.

The primary sources of key performance measure data within the Program Support Staff are the EPA Integrated Financial Management System (IFMS) and the EPA Budget Automation System (BAS). The IFMS generates the information necessary to prepare annual operating plans and monthly status of funds reports which are used by OIG management to effectively and efficiently use available resources. This system provides detailed information on operating plan projections as well as expenditures and remaining balances by account and

budget object class. The BAS contains budget development information which is used by OIG management to estimate future budget needs and to implement the requirements of the Government Performance and Results Act. Data is entered in IFMS and BAS by both the OIG and Agency

personnel who are responsible for verifying that the information is accurately reflected. System security is maintained through the use of passwords. The accuracy of data in the IFMS and BAS are subject to audit by the EPA Office of Inspector General and the General Accounting Office.

## STATUTORY AUTHORITIES

Inspector General Act of 1978